COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

Complaint of Verizon Massachusetts Concerning Customer Transfer Charges Imposed by Teleport Communications of Boston	)	**D.T.E. 03-74**

VERIZON MASSACHUSETTS

D.T.E. 03-74

DIRECT TESTIMONY

Witnesses:

Susan M. Burke
Becky L. Doerfler
Thomas Maguire

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TABLE OF CONTENTS

EXHIBITS

I. INTRODUCTION AND QUALIFICATIONS OF WITNESSES

Q. Who are the witnesses sponsoring this testimony?

A. The witnesses are Ms. Susan M. Burke, Ms. Becky L. Doerfler, and Mr. Thomas Maguire.

Q. Ms. Burke, please state your name, business address and title.

A. My name is Susan M. Burke and my office is located at 185 Franklin Street in Boston, Massachusetts. I am a Manager – Network Operations with responsibility for operating Verizon MA's Local Number Portability Center ("LNPC").

Q. Please describe your business background.

A. I manage of group of 40 people who are responsible for the porting message management for Verizon in the New England states, New York and the Mid-Atlantic states. The Center is also responsible for porting out message management for Verizon in the rest of the country. I have managed this group since 1999. From 1991 to 1999 I served in various management positions with varied responsibilities, including number portability. Prior to 1991, I held various jobs in the Network Services department in the Framingham, Worcester and Brockton districts of NYNEX.

Q. Ms. Doerfler, please state your name, business address and title.

A. My name is Becky L. Doerfler and my office is located at 201 Stanwix Street in Pittsburg, Pennsylvania. My position is Specialist – Regulatory Planning & Implementation in Verizon's Retail Marketing organization where I am responsible for developing rules of engagement in the retail regulatory arena.

Q. Please describe your business background

A. I was first employed by Bell Atlantic in 1988 as a Directory Assistance Operator. From 1989 to 1995, I served as a Service Representative in Residence and Business Service and Collections centers. Since moving into management in1996, I have worked on various aspects of process improvement relative to the Winback process. My current responsibilities include working with Verizon Regulatory Staff and the state commissions to develop, establish and implement processes that allow an end user to migrate from one Local Service Provider to another.

Q. Mr. Maguire, please state your name and position with Verizon.

A. My name is Thomas Maguire. I am a Senior Vice President in Verizon's Wholesale Markets Group with primary responsibility for CLEC Ordering, Provisioning and Maintenance.

Q. Would you please describe your business background?

A. Since joining Verizon 22 years ago, I have held managerial positions in installation, maintenance and performance management, including coordination of "hot cuts" and the provisioning of new loops by the Regional CLEC Coordination Center "RCCC" as well as the overall operation of the Regional CLEC Maintenance Center "RCMC." I have previously testified before the Department concerning Verizon's hot cut process.

II. BACKGROUND AND SUMMARY

Q. Please explain the procedural history of this case.

A. In late 2002, AT&T[1] amended Tariff D.T.E. Mass. No. 1 of Teleport Communications Boston ("the Tariff") to impose "Customer Transfer Charges" that apply "when a

[1] Respondents Teleport Communications Boston and AT&T Communications of New England, Inc. are referred to collectively in this testimony as "AT&T."

[Teleport] Local Customer is transferred from [Teleport] to an Incumbent Local Exchange Carrier" or, in some cases, to another CLEC. On July 8, 2003, Verizon Massachusetts ("Verizon MA") filed a Complaint with the Department of Telecommunications and Energy (the "Department") requesting that the Department find that the Customer Transfer Charges are unjust and unreasonable and enter an order invalidating such charges. The Department responded by opening the instant proceeding, D.T.E. 03-74. On September 29, 2003, the Department held a public hearing and procedural conference to address Verizon MA's complaint. During the procedural conference, the parties agreed that the Department should first address a threshold question in this proceeding: whether the services that AT&T maintains it performs when a customer migrates from it to Verizon MA are of a nature that AT&T may appropriately charge Verizon MA or other carriers. As we explain in our testimony, the overwhelming majority of the activities that AT&T claims it performs in such circumstance are not services that Verizon MA has requested or needs to effectuate the customer migration.

Q. Are the Customer Transfer Charges which AT&T wants to charge Verizon MA reasonable?

A. No, for two reasons. First, AT&T seeks to support its charges by enumerating a long list of tasks it alleges it must perform when one of its customers, whom AT&T serves by leasing a UNE loop from Verizon MA, elects to terminate the AT&T service to become a customer of Verizon MA. (Verizon MA refers to this situation as a "winback.") The vast bulk of the work listed by AT&T in Appendix 2 to its Response to D.T.E. Data Request 2-1, however, is not necessary – and is not requested by Verizon MA – to effectuate the seamless migration of the end-user customer's service to Verizon MA. Rather, such work is performed solely for the benefit of AT&T and/or its customer as part of AT&T's

retail business. Verizon MA does not ask AT&T to perform such work, nor does such work benefit Verizon MA. Thus, it is unjust and unreasonable for AT&T to charge Verizon MA the costs of performing that work.

AT&T must perform only a limited number of administrative tasks in order to allow Verizon MA to provide service without interruption to a former UNE-L customer of AT&T. Among other things, discussed in more detail below, these tasks include releasing the customer's phone number to be ported to Verizon MA and unlocking the E911 database record for that number. AT&T is not, however, allowed to charge Verizon MA for that minimal work under its tariff. The Tariff applies such charges only where the carrier who is taking over service (in this case, Verizon MA) itself charges AT&T for performing a similar migration. Despite AT&T's claims to the contrary, Verizon MA does not charge AT&T for these migration services in the analogous situation where Verizon MA loses a customer to AT&T.

Second, the thrust of AT&T's entire case is the supposition that because Verizon MA bills AT&T a "hot cut" charge when a customer leaves Verizon MA for AT&T, AT&T should be allowed to charge Verizon MA a similar amount when the customer migrates back to Verizon MA. But AT&T's analogy is simply wrong. Verizon MA does not perform a hot cut (or bill AT&T for a hot cut) merely when it loses a customer. Rather, Verizon MA charges for a hot cut only when AT&T (or another CLEC) leases a UNE loop from Verizon MA in order to provide service to a customer. In contrast, when Verizon MA wins back a customer from AT&T, Verizon MA does not seek to lease any portion of AT&T's network. Further, in that winback situation, AT&T does not "undo" or reverse the steps that Verizon MA took to effectuate the old hot cut, and there is no

reason for AT&T to perform tasks that mirror in any way the work necessary to support a hot cut. As demonstrated below, the work that falls on AT&T in a winback situation is minimal. The truth is that both in a hot cut case and a winback, the bulk of the work load falls on Verizon MA.

III. VERIZON MA'S WINBACK PROCESS

Q. Please describe Verizon MA's Winback process.

A. Verizon MA's winback process is undertaken when a customer decides to terminate its retail service with a CLEC and selects Verizon MA as his or her carrier for exchange service. Where the CLEC is using a Verizon MA UNE loop to serve the end-user customer, the winback process involves the near-simultaneous disconnection by Verizon MA of the working loop from the CLEC's collocation cage and the reconnection of that loop to Verizon MA's main distribution frame, without any significant out-of-service period. Verizon MA performs most of the work involved in migrating service, including the physical wiring work in the central office. AT&T erroneously refers to this process as a "reverse hot cut," but this is a misnomer because in the winback situation Verizon owns both the loop and the switch and does not need to coordinate with the CLEC to cross-connect Verizon's loop to Verizon's switch. As one consequence, the work required of the CLEC who has lost the customer in no way approaches the level of work required of Verizon MA when it loses a customer to a CLEC and must make its UNE loop available by performing a hot cut.

Q. Please describe the work performed by Verizon MA in a winback situation.

A. In a winback scenario, Verizon MA is providing the new dial tone from its switch, and it is Verizon MA that submits the final authorization to port the customer's number and

performs the physical wiring work in the central office. Thus, winbacks primarily require coordination *within* Verizon MA rather than coordination between Verizon MA and the CLEC.

Once an end user selects Verizon MA as its new local service provider, Verizon MA obtains the required information from the end user's old local service provider to migrate the end user's services. Verizon MA issues a Local Service Request ("LSR") to the CLEC. Upon receipt of the CLEC's confirmation of the due date requested by Verizon MA (by receipt of an "LSRC/FOC" form), Verizon MA will issue a "C" order to disconnect the reusable loops (DS-0 Loop) that had been leased to the CLEC and issues an "N" order to have the number(s) ported out to Verizon MA. Service Orders are then routed to various Verizon work centers. If necessary, a Verizon field technician will be dispatched to reconnect the drop wire and/or the inside wiring to the Verizon NID.

The day before the due date, Verizon MA checks the Number Portability Administration Center ("NPAC") to verify that the CLEC has built its subscription to release the number. On the due date, Verizon's frame technician moves the loop facilities from the CLEC's collocation cage to Verizon MA's main distribution frame. Once the frame work is complete, Verizon activates the number through NPAC and then calls the end user to verify that all lines are working. Verizon MA subsequently captures the E-911 database in order to lock into the E911. Finally, Verizon MA establishes directory assistance and directory listings for the customer.

Where the customer whose service is to be transferred had been served by a DS-1 facility, Verizon MA does not reuse the facility but instead provisions a new one to the customer. As a result, the field work that Verizon MA performs is somewhat different

than in the case of a re-use of a DS-0 loop. The work required to port the customer's telephone number(s), however, is unchanged.

Q. What work must be performed by AT&T to allow the seamless transfer of the customer's service from AT&T to Verizon MA in a winback situation?

A. In contrast to the work performed by Verizon MA, AT&T's role in the migration process is very minimal. In response to Verizon's LSR, AT&T must perform only four functions, which are all related to porting the number. Whether the customer is served by a DS-0 loop or DS-1 facility, AT&T must: (1) populate the 10-digit trigger on the telephone number;[2] (2) release the telephone number through NPAC by the day before the due date for the migration; (3) unlock the E911 database so that Verizon can update the customer's information; and (4) remove the directory listings. AT&T must perform certain administrative tasks incidental to these functions, such as sending a Local Service Confirmation to Verizon MA to confirm the due date of the port-out, notifying the appropriate AT&T departments who will perform the four functions and, if necessary, update its records in the event the due date for the winback is delayed. None of these tasks requires the high level of "coordination" with Verizon MA alleged by AT&T, and none of the resulting costs is chargeable to Verizon MA, for the reasons explained below.

Q. Is AT&T required to do anything else in order to allow the seamless transfer of the customer's service from AT&T back to Verizon MA?

A: No. Verizon MA does not order any facility from AT&T in a winback, so that no hot cut-like coordination is required or asked of AT&T.

[2] An unconditional 10 digit trigger is a switch line translation that when applied forces an LNP database query. The unconditional 10 digit trigger allows calls to complete to the newly ported number without requiring the simultaneous disconnect of the number from the old network service provider switch.

IV. RETAIL COSTS WHICH AT&T SEEKS TO CHARGE TO VERIZON MA

Q: Appendix II of AT&T's Response to the Department's Data Request 2-1 lists the tasks which AT&T alleges it is required to perform when Verizon wins back an AT&T customer. Does Verizon agree that the costs of such tasks are appropriately charged to Verizon MA?

A: Not at all. In fact, the vast majority of the tasks are not necessary to facilitate the migration of the customer's service and are not requested by Verizon MA. These are activities that AT&T chooses to perform solely for the benefit of AT&T or its customer, in support of AT&T's retail business. In many cases, AT&T is merely moving, connecting, disconnecting, or rearranging the facilities on its own network in order to ensure that it will be able to re-use, for the benefit of another retail customer, the switch ports and other network equipment that were previously used to provide service to the transferred retail customer. In other cases, AT&T is updating its databases, billing systems, and switch translations to reflect the fact that the end-user customer terminated its service with AT&T. These actions are classic costs of running AT&T's retail business and simply are not services provided to Verizon MA.

Q: Please give examples of work items by which AT&T is merely rearranging its own facilities for its own purposes.

A: Exhibit 1 to our testimony is a chart showing in the left and middle columns the tasks that AT&T claims, in Appendix II of its Response to the Department's Data Request 2-1, that it must perform in a winback situation, and AT&T's rationalization for doing such work. The right-hand column identifies which tasks are in fact performed at AT&T's election and are not required or requested by Verizon. That column also notes, for the few items that AT&T performs to allow Verizon MA to take provide service to the end-user customer, why AT&T should not charge Verizon MA for that work. Particular examples of work by AT&T solely to rearrange its own network include the following:

?? Section II, Step 7 – AT&T claims to access the ALI and COLR databases to determine the circuit and the additional orders to be processed. This step is part of AT&T's process to determine what it must do to reconfigure its network following the loss of its customer. (Furthermore, Verizon issues the orders to reuse the facilities that had been leased by AT&T, thereby eliminating AT&T's need to issue LSRs to Verizon to disconnect the loops.)

?? Section II, Step 19 – AT&T schedules retrieval of its equipment. Obviously, this work benefits only AT&T, to free up its equipment inventory for later reuse. Verizon MA receives no benefit from this work as it is in no way necessary for the migrating and porting out of the end user's telephone number to Verizon MA.

Q: Which items in Exhibit 1 consist of AT&T updating its records for its own internal purposes and are not necessary to migrate the customer's service back to Verizon MA?

A: There are several. For example:

?? Section II, Step 3 – AT&T states that it removes roadblocks from the order and discern job elements. AT&T claims to identify problems in Verizon's LSR, but AT&T should have already done this in Section I, Step 3.

?? Section II, Step 6 – AT&T claims to run quality checks on its service delivery tasks in order to insure compliance with industry commitments. However, AT&T's monitoring of its own performance, perhaps for management or efficiency reasons, has absolutely nothing to do with the request for the porting of a telephone number, which is the only task AT&T must perform to ensure the migration of the customer.

?? Section II, Step 14 – AT&T again claims to update work activity. This activity is merely for AT&T's record keeping purposes. AT&T would perform this same function if its end user simply requested a disconnect.

?? Section II, Step 26 – AT&T's explanation makes clear that the purpose of the work AT&T does under this line item is to prepare to retrieve its equipment and discontinue billing of its former customer. Again, this work is performed in support of AT&T's retail business, not the migration of the customer.

Q: Are there additional tasks for which AT&T seeks to charge Verizon but which are not necessary to moving the customer's service back to Verizon?

A: Yes. A number of administrative tasks listed by AT&T are not necessary to perform the four limited tasks of: (1) populating the 10-digit trigger on the telephone number; (2)

releasing the telephone number through NPAC; (3) unlocking the E911 database; and (4) removing the end user's directory listing. For the most part, this includes AT&T's multiple references and reliance on the need to "coordinate" efforts with Verizon MA. For instance, AT&T identifies in Section II, Step 2 a need for it to analyze the order for work activity to route it to the appropriate work center based on the type of order and geographic region. This, however, is AT&T's in-house process to issue an order to disconnect service to its retail customer. It is not needed to port a telephone number. Also, in Section 2, Step 10, AT&T claims to "remove any facility roadblocks or problems." But AT&T is not providing any facility to Verizon MA, and the four tasks that AT&T must perform in a winback situation could not possible raise any "facilities" problems for AT&T to remove. AT&T also claims, in Section II, Step 25, to verify whether Verizon MA has activated the telephone numbers, and professes to continue checking for six business days if the telephone number has not been activated. In reality, AT&T simply cancels Verizon MA's port-out request if Verizon MA fails to port on the scheduled due date.

Because of the limited nature of the tasks assigned to AT&T in a winback situation and the fact that it is Verizon MA that actually performs the physical work of re-connecting its loop to its switch, the only coordination required between the companies is populating the 10-digit trigger and releasing the telephone number through NPAC.

Q: Are there any tasks for which AT&T seeks to charge Verizon MA that AT&T does not actually perform?

A: Yes, there are. AT&T claims to notify Verizon MA of order completion via the LSR and LSRC, but this is simply not true. *See* Exhibit 1 – Section II, Step 13. AT&T does not

notify Verizon of order completions. Similarly, Verizon MA does not receive Go/No-Go calls from AT&T, as alleged by AT&T in Section II, Steps 23 and 24.

Q. AT&T states in its Appendix 2 that it may have to reestablish LNP service due to premature disconnect of ported telephone numbers. Is AT&T entitled to charge Verizon MA for this work?

A. No, for two reasons. First, AT&T's claim is misleading. The only circumstance where AT&T would have to reestablish LNP due to a premature disconnect is when AT&T had released its translations prematurely; *i.e*. before the due date. AT&T claims, however, that it "does not create premature final disconnects." *See* Appendix 2 to AT&T's Response to the Department's Data Request 2-1, Section IV, step 4. Second, AT&T also claims in this same section that it "verifies" that the ported phone number has been accepted by the new carrier before AT&T pulls its translations. Of course, pulling the translations means disconnecting AT&T's service to the customer, so as to make the port available to serve some other AT&T customer. While this may be a reasonable action by AT&T in order to reconfigure its network, it is not required to migrate service to Verizon MA. In other words, if AT&T never pulled its translations, neither Verizon MA nor the end user customer would be harmed in any way.

Q. AT&T states that it has to research and refer translation packets held for which no coordination call was received. Do you agree with this claim?

A. No. Verizon does not want any coordination activities to occur between AT&T and Verizon for winback orders. Verizon internally coordinates all activities required to move the end user to Verizon's retail service.

V. <u>THE DISCONNECT AND PORT-OUT ONLY PROCESS</u>

Q: What is Verizon MA's "disconnect and port-out only" process?

A: Verizon MA applies a disconnect and port-out only process when a CLEC such as AT&T or perhaps a cable television company advises Verizon MA that the CLEC will be taking over service to one of Verizon's retail end users, and the CLEC will be providing service to the customer over its own loop and switching facilities. The CLEC does not need to lease any UNEs from Verizon MA. In that scenario, the CLEC will request only that Verizon MA disconnect the end user's service and allow the end user's telephone number to be ported to the CLEC.

Q: Please describe the work Verizon MA performs in the disconnect and port-out only process.

A: The process begins when Verizon MA receives a Local Service Request ("LSR") from the CLEC. Verizon MA prints, reviews, types and confirms the order request for Disconnect and Port Out Only. Verizon MA then sends an acknowledgement or rejection to the CLEC advising it that the LSR was received and then verifies that the requested port is for a working telephone number in Verizon MA's switch. Verizon MA issues a disconnect work order with the assigned due date, which will begin the process of disconnecting the end user's telephone number(s) from the Verizon MA switch. This order: (1) creates a subscription message to NPAC while (2) placing a 10 digit trigger for porting of the telephone number(s). The disconnect order will also notify the frame technician to remove the Verizon MA facilities from our main distribution frame. Verizon MA sends a FOC ("Firm Order Confirmation") to the CLEC confirming the requested due date. On the due date, the CLEC activates the telephone number port and the customer will then have working service with the CLEC. After 11:59 PM of the due date, Verizon removes its translations from the end user's telephone number, unlocks the E911 database and removes all directory listings. The process to render a final bill to the

former Verizon end user customer begins. If the CLEC issues a supplemental LSR to change the due date for the port at any time in this process, Verizon MA will update its records accordingly. It should also be noted that some of the above functions -- removing the facilities from the distribution frame, removing Verizon MA's translations and rendering a final bill to the end user -- are not necessary to facilitate the migration of service to the CLEC.

Q: Does Verizon charge the CLEC for the functions Verizon performs in a disconnect and port-out only case?

A: No. Nor does Verizon MA charge a CLEC if it requested that Verizon MA expedite this process.[3]

Q: Is the disconnect and port-out only process analogous to the winback situation?

A: Yes. In both cases, no carrier is seeking to use another carrier's network to provide service to the customer. In addition, *the work required of the former carrier to effectuate the migration of service is the same in each case*. Specifically, in each case, the former carrier must: (1) populate the 10-digit trigger; (2) notify NPAC to release the telephone number; (3) unlock the E911 database; and (4) remove the customer's directory listings. The former carrier has no other tasks to perform, other than the ministerial ones in support of these four functions (*e.g.*, inputting the new carrier's LSR into the former carrier's computer system, distributing work orders to the appropriate people etc.). Of course, Verizon MA performs some functions in a disconnect and port-out only scenario that are not strictly necessary to allow the migration, such as rendering a final bill to its

[3] The fact that Verizon MA will migrate its customers to a CLEC without charge refutes AT&T's theory, Answer at 2-3, that the costs Verizon MA incurs to migrate a customer's service are "joint and common" with the costs of performing a hot cut, and that Verizon MA therefore recovers the former costs though its hot cut charge.

former customer. However, unlike AT&T, Verizon MA does not seek to charge its competitors for undertaking such retail activities.

Q. Is there any justification for AT&T to charge Verizon MA the costs AT&T incurs in performing the functions required in a winback situation?

A. No. As described above, Verizon MA does not charge AT&T or any other CLEC where the only work Verizon MA must do is to enable migration of the customer's service to the CLEC. Nor does Verizon MA charge to expedite the migration. AT&T's tariff indicates that AT&T will only impose charges similar to those imposed by the ILEC.

> Customer Transfer Charges apply when a TCG Local Customer is transferred from TCG to an Incumbent Local Exchange Carrier (ILEC) or to a Competitive Local Exchange Carrier (CLEC) *that imposes charges similar to those imposed by the ILEC for activities related to Customer migration between carriers*.

The Tariff, §6.2.6.1, Description of Customer Transfer Charges (emphasis added). AT&T has explained that the Tariff "seeks only to recover the costs that Verizon itself seeks to recover when one of its customers migrates to AT&T." AT&T Answer to Verizon MA Complaint, at 4. Likewise, AT&T has stated that it does not assess a transfer charge on other carriers for performance of the functions required in a winback scenario "if such other carrier does not charge AT&T for coordinating the transfer of a customer's service *to* AT&T." AT&T Response to D.T.E. Data Request 2-1, at 1-2. As demonstrated above, Verizon MA does not charge AT&T for coordinating the transfer of a customer to AT&T. Accordingly, the Tariff does not allow AT&T to charge Verizon MA for similar work AT&T must perform in aid of a customer migration to Verizon MA or for expediting that migration.

VI. AT&T'S ANALOGY TO THE HOT CUT PROCESS IS NOT ACCURATE

Q: AT&T claims that the steps it takes in a winback situation are comparable to the steps taken by Verizon MA when it performs a hot cut. Do you agree?

A: No. AT&T's analogy to hot cuts is not correct. Verizon MA performs a hot cut in order to provide a requesting CLEC with a UNE loop owned by Verizon MA. This entails substantial work by Verizon MA, including the close coordination of its activities with those of the receiving CLEC to ensure continuity of service.

The circumstances are entirely different in a Verizon MA winback scenario, because Verizon MA does not seek access to any element of the CLEC's network, but rather is only re-using its own loop, formerly leased to the CLEC. Because Verizon MA owns all of the facilities required to provide service to the customer, there is no need for the kind of close coordination with the other carrier that is a hallmark of the hot cut process. Further, a winback simply does not require AT&T to perform anywhere near the work required of Verizon MA in a hot cut situation.

Q. What is a hot cut?

A. The term "hot cut" is used to describe the near-simultaneous disconnection of a Verizon MA working loop from a port on one carrier's switch (usually Verizon MA's), and the reconnection of that loop to a port on a different carrier's switch, without any significant out-of-service period. A simplified diagram of the basic physical connections and disconnections involved in a typical hot cut is provided in Exhibit 3.

Q. Please describe the initial processing of orders in the basic hot cut process.

A. The process itself is relatively straightforward. The CLEC submits an LSR via Verizon's LSI or EDI to Verizon, indicating that it wishes to use the existing loop to serve the customer. A properly completed LSR will generate four related Verizon service orders:

- ?? A disconnect ("D") order, for example to discontinue the existing retail service where the customer was originally a Verizon retail customer.
- ?? A change ("C") order to establish the UNE-L for the CLEC and generate the physical hot cut wiring activity.
- ?? A trigger order which sends a message to NPAC 48 hours before the due date indicating that the end user's telephone number will be ported to the CLEC.
- ?? A record order detailing listing information, including E911 data.

The LSR will either electronically flow through Verizon's ordering systems, be routed for manual processing (assuming that there are issues that can be addressed by Verizon MA), or be rejected back to the CLEC for additional work. Certain Verizon work centers are notified of these orders so that they can address orders that fall out of the automatic assignment process because of facilities problems.

Q. When does Verizon MA do the physical re-wiring work required in a hot cut?

A. Prior to the due date for the hot cut, the frame technician will run a jumper or cross-connect wire from the appearance of the CLEC's collocation facility assignment on Verizon MA's intermediate frame, to the appearance of the end user's loop on the MDF. At this time the technician will determine that the CLEC dial tone is working and that there are no apparent problems with the loop. If there are any problems, the frame technician will advise the Verizon Regional CLEC Coordination Center ("RCCC") and, if necessary, the CLEC.

Q. Please describe the activities that occur on the due date.

A. The CLEC will advise Verizon that it is willing and able to process the cut. Upon receipt of this "go-ahead" confirmation, the frame technician will check once again for the presence of CLEC dial tone. If the end user is using the line, the technician will wait for the line to go idle. Once the line is properly checked, the technician will lift off the jumper going to the Verizon switch and cut down the wire connected to the CLEC

switch, thus completing the process of connecting the loop through to the CLEC switch. Once this cutover is complete, the technician will advise the RCCC and CLEC and complete all required internal processes.

Q. How does the hot cut process avoid significant out-of-service period for the customer being cut over?

A. Continuity of service is maintained through the continuous exchange of information concerning the status of the migration between the CLEC that will provide service after the cutover, Verizon's RCCC, and Verizon's frame technicians.

In addition to this exchange of information, the pre-wiring process described above reduces the time required for the actual cutover and thus minimizes the duration of any out-of-service condition. Finally, many of the steps taken on the due date help ensure the smooth transition of service and avoid disruptions to the customer.

Q. Why is this coordination between Verizon and the CLEC necessary?

A. For two reasons. First, some form of coordination is necessary to ensure that dial tone is available on the new provider's switch port at the time of the cutover. This ensures continuity of the customer's ability to make outgoing calls. (Verizon will not complete the migration if the CLEC dial tone is not present.)

Second, coordination is necessary to ensure that the customer's number is ported immediately after the Verizon MA frame technician completes the cut. This ensures continuity of the customer's ability to receive incoming calls. Although there are various steps involved in local number porting, the key step is notification of NPAC that the physical transfer of the customer to the new provider's switch has been completed and that the number can therefore be ported. This final notification cannot be made before the cutover – because that would prevent the customer from receiving incoming calls

before the cutover – but it must be made as soon as possible after the cutover. Under current procedures, this notification is submitted by the new local service provider.

Q. What is the difference between a winback and a hot cut?

A. The winback process differs from the hot cut process in significant respects. Specifically, in a winback, little or no coordination is required between Verizon MA and AT&T. As discussed above, coordination is required in a hot cut in order to ensure that dial tone is available from the customer's new carrier, and that the customer's number is ported, at the time the loop is cut over. In a winback scenario, Verizon MA is providing the new dial tone, and it is Verizon MA that submits the final authorization to port the customer's number. It is also Verizon MA, of course, that performs the physical wiring work that completes the migration. This is why winbacks primarily require coordination *within* Verizon rather than coordination between Verizon and the CLEC, such as AT&T.

Furthermore, the costs of the hot cut are incurred by Verizon MA in order to provide the CLEC with access to a Verizon MA network element — the unbundled loop. In contrast, the costs a CLEC incurs in a winback arise solely as a result of the customer's decision to use a different carrier – not as a result of Verizon MA ordering any service or facility from AT&T. And, as demonstrated above, most of the costs for which AT&T seeks to charge Verizon MA are incurred by AT&T in order to rearrange its network, update its records and stop billing its former customer, solely for the benefit of AT&T. Verizon MA does not request such services and does not care whether AT&T performs them.

Q: Are the tasks AT&T claims to perform in a winback, and for which it seeks to levy a Customer Transfer Charge on Verizon MA, truly comparable to the work Verizon MA performs in order to accomplish a hot cut?

A: No. As demonstrated above and in Exhibit 1 hereto, most of those tasks identified by AT&T are not necessary to accomplish the seamless migration of a customer to Verizon MA. Moreover, many of the comparisons AT&T tries to make between tasks it allegedly performs in a winback and the work Verizon MA performs to complete a hot cut simply don't hold water. For example:

?? Exhibit 1, Section II, Step 6 – AT&T claims that both it and Verizon MA "perform administrative checks" and that such checks by AT&T are necessary for quality control. AT&T, however, ignores the fact that there are reasons underlying Verizon MA's checks (to ensure that Verizon MA makes its UNE available upon request by a CLEC and to ensure continuity of service to the customer) while AT&T's checks perform no useful function since Verizon MA itself can ensure continued service to the customer in a winback situation.

?? Section II, step 10 – AT&T seeks to charge Verizon MA to "remove any facility roadblocks or problems," but there can be no facility roadblocks for AT&T to remove in a winback, where Verizon MA performs all of the necessary facilities work.

?? Section II, Step 4 – AT&T seeks to charge Verizon MA to "analyze order for related orders." This line item appears in Verizon MA's hot cut cost studies because Verizon MA generates multiple internal work orders in order to accomplish a hot cut, and Verizon MA must coordinate the various efforts pursuant to those related orders. AT&T, however, does not even claim that it is in this Step coordinating multiple work orders (which would be surprising, given the minimal work required of AT&T in a winback). Rather, AT&T claims that its work here is to "manually analyze" *Verizon MA's LSR*. Thus, the work AT&T purports to perform is completely different than the work Verizon MA charges for under this line item in a hot cut.

In sum, AT&T's list of tasks is very misleading.

Q. Please summarize why the Department should reject AT&T's Customer Transfer Charges as unjust and unreasonable.

Most of the "services" AT&T claims to perform in response to a winback by Verizon Ma are not requested by Verizon MA, are not necessary to allow the migration of the customer's service to Verizon MA and provide no benefit to Verizon MA. In other words, AT&T does not provide services to Verizon MA in any meaningful sense. AT&T

should not be allowed to charge Verizon MA for services AT&T provides solely to itself for its own purposes.

Moreover, by comparing a winback to a hot cut, AT&T mixes apples and oranges. When AT&T loses a customer that it serves with its own switch, it performs only a few, limited functions in order to allow the migration of service to Verizon MA. Verizon MA performs the same limited functions when it loses a customer to AT&T (the disconnect and port-out only scenario), but Verizon MA does not charge AT&T (or any other CLEC) for these work functions. Thus there is no basis for AT&T to charge Verizon MA for them, and the Tariff does not allow such charges.

Q. Does this conclude your testimony?

A. Yes.